

# FY22 Budget Presentation



June 3, 2021  
Mayor Joseph A. Curtatone

# Looking back to 2020



# Financial outlook in June 2020

(FY21 proposed budget vs FY20 budget)

## State Revenue

\$6.7M in lost revenue

25% reduction in State Aid

↓ 13%

## Fines & Forfeits

\$3M in lost revenue

Ordinance Violations down 48%  
Parking Fines reduced 46%

↓ 49%

## Licenses & Permits

\$700k in lost revenue

Parking Permit revenue down 48%  
COVID-related permits waived

↓ 7%

## Parking Meter Receipts

\$1M in lost revenue

↓ 42%

## Excise Taxes

\$2.3M in lost revenue

↓ 23%

# Financial outlook today

(FY22 proposed budget vs FY21 final budget)

## State Revenue

\$50.3M in revenue

↑ 1%

## Fines & Forfeits

\$5M in revenue

↑ 56%

## Licenses & Permits

\$12.7M in revenue

Parking Permit revenue up 57%  
Some business permits waived

↑ 33%

## Parking Meter Receipts

\$1.5M in revenue

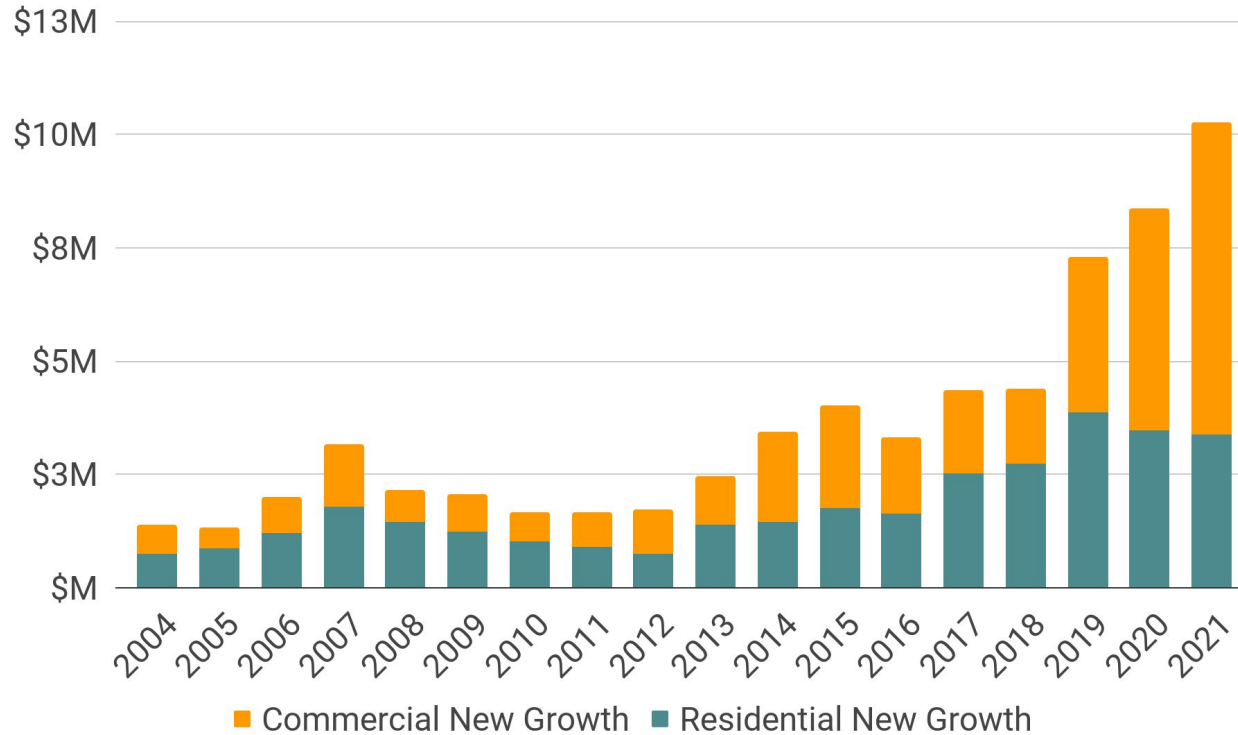
↑ 3%

## Excise Taxes

\$141,516 in lost revenue

↓ 2%

## Somerville New Growth by Class: FY04 to FY21



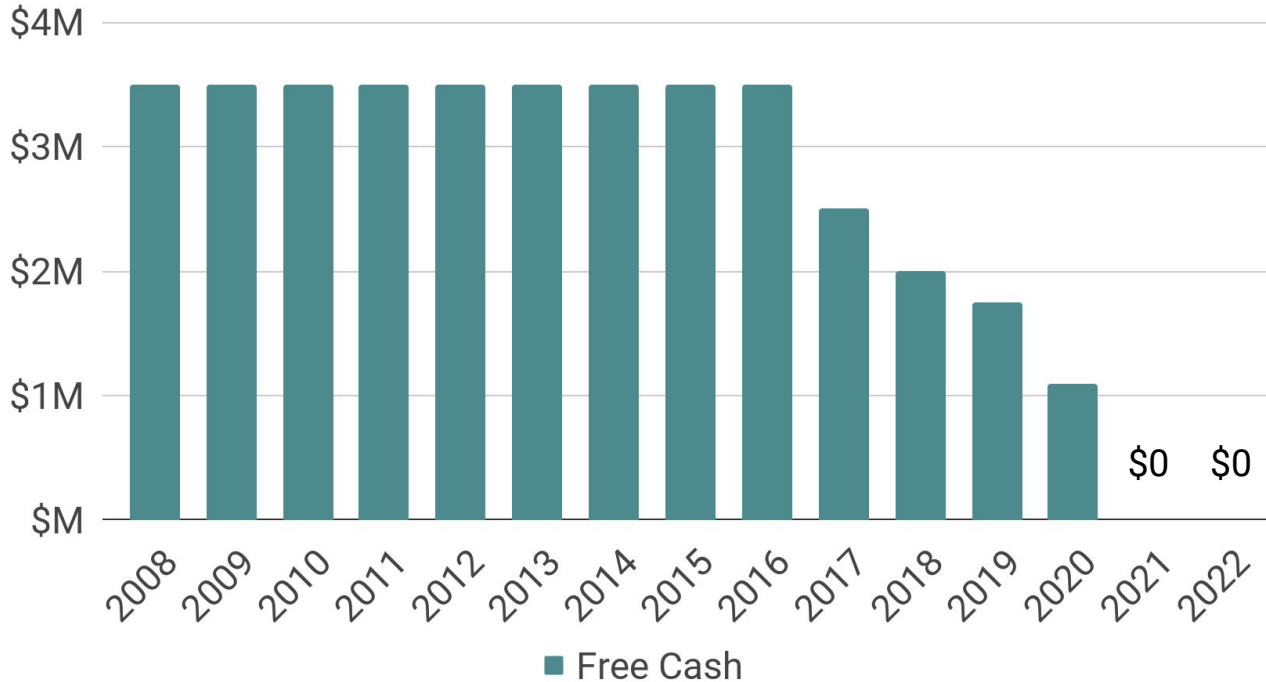
**\$10.3 million in new growth in FY21**

## Somerville Annual Free Cash Certification: FY04-FY21



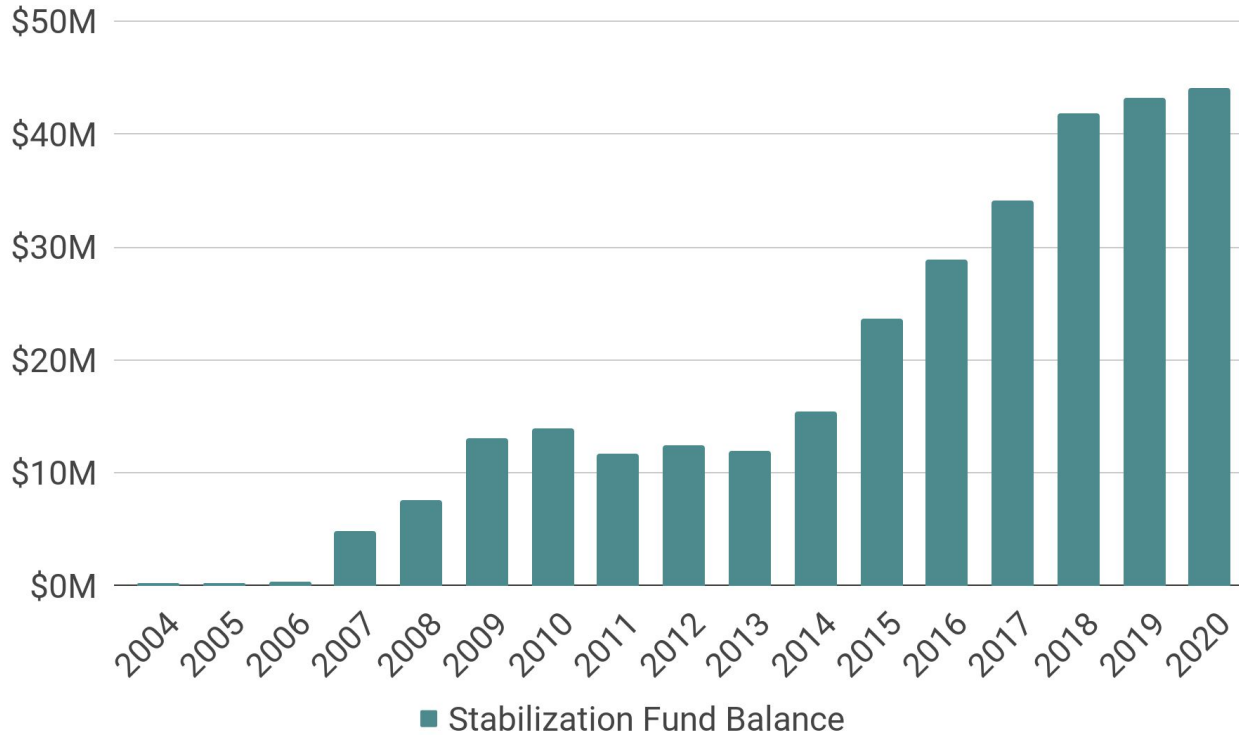
**Over \$15 million in free cash in FY20 and FY21**

## Somerville Free Cash Used to Fund Operating Budget FY08-FY22



**\$0 in free cash used to fund FY21 and FY22 budgets**

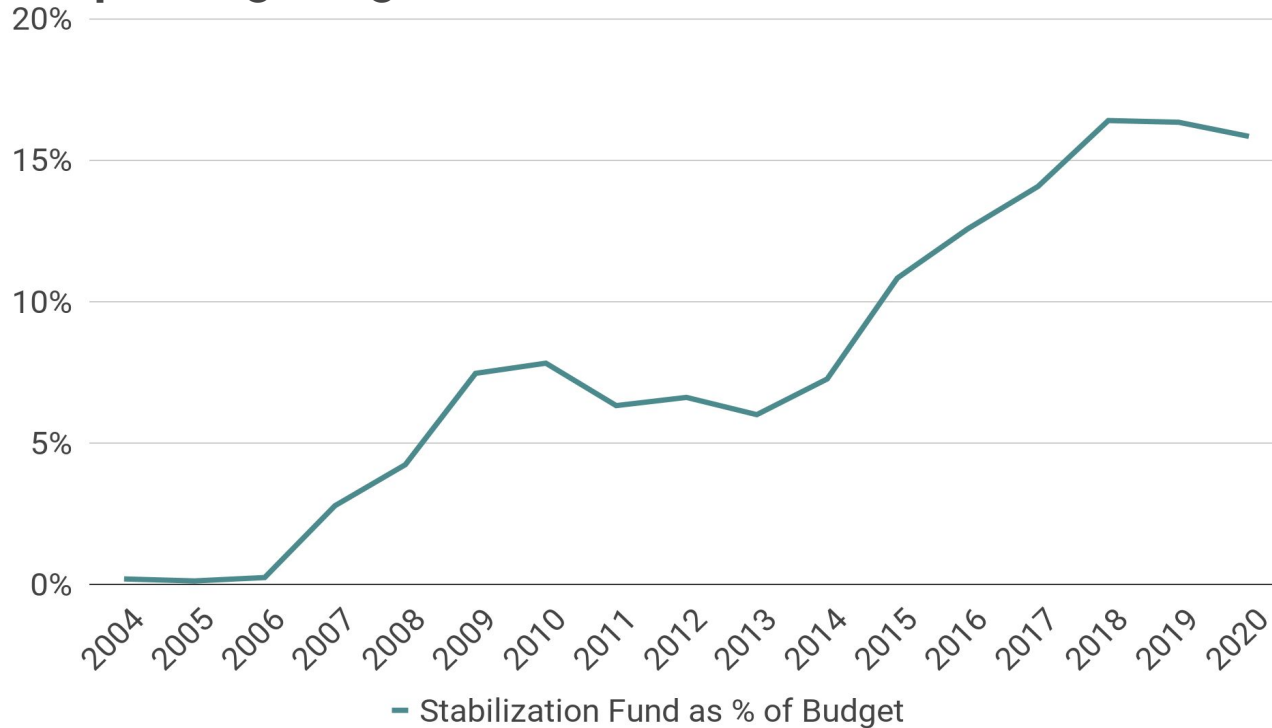
## Somerville Stabilization Fund Balance: FY04-FY20



**Over \$44 million in stabilization fund balance in FY20**



## Somerville Stabilization Fund Balance as a Percent of Operating Budget: FY04-FY20



**Stabilization fund balance was 15.8% of operating budget in FY20**

# Strong financial management has earned Somerville its AA+ bond rating

With our strong bond rating, we've also seen our cost of borrowing go down to remarkably low rates.

**0.12%**

Interest rate on most  
recent BAN sale  
(May 2021)

**1.97%**

Interest rate on most  
recent GO bond sale  
(May 2021)

**2.03%**

Interest rate on SHS  
bond sale  
(Oct 2020)



**\$73 M**

in taxpayer savings  
(compared to 5% scenario  
presented July 2016)

# We are requesting a \$270 million appropriation to fund the FY22 budget



- Appropriation request is a 9% increase over FY21 (6.7% excluding SHS debt service)
- \$352,772 below the levy limit
- Minor changes in fees and fines

## **Proposed FY22 new General Fund investments will:**

- Set the City up for long-term operational success, including preparing the City for the first Mayoral transition in 18 years
- Build toward a more equitable Somerville, including fully launching the Racial & Social Justice Office

"Doña Patria" by Alexandre Keto at 102 Broadway

617 625-6100

Setting up Somerville for long-term  
operational success



# Long-term success: build back better

The FY22 budget:

- Recommits General Fund resources to critical services and initiatives that were put on hold or shifted to other funding sources in FY21.
- Reflects Council-approved mid-year requests for 2% salary increase for non-union staff + mid-year staffing and resource requests.

**OSPCD: Housing**  
61% increase  
in FY22

**OSPCD: OHS**  
41% increase  
in FY22

**Sustainability &  
Environment**  
30% increase  
in FY22

**OSPCD: Mobility**  
86% increase  
in FY22

Some departments with major new General Fund resources in FY22

# Long-term success: filling critical capacity gaps

## New positions dedicated to meeting the needs of our growing city

- **Deputy Director** of P&Z
- **Policy Analyst** for the City Council
- **Senior Zoning Review Planner** in ISD
- **Deputy Sealer** in ISD
- **2 Librarians** for the renovated West Branch

## New positions dedicated to enhancing operational capacity

- **Head Clerk** in IAM
- **HR Assistant** in HR
- **Procurement Manager** in Purchasing
- **Daytime Custodial Supervisor** in DPW
- **Assistant City Clerk**



# Long-term success: modernizing our government

## Updating our rulebook

- Robust charter review process budget

## Updating our systems

- Digital time & attendance system
  - **Project Manager** in IT & funding for consulting services in HR
- **Digital Innovation Officer** in SomerStat
- **Service Operations Manager** in Constituent Services
- **IT Specialist** to focus on email & Office 365 + funding for mobile device management service



# Long-term success: taking care of our assets

## Building Systems Management

- **Senior Project Manager** for Asset Management in IAM
- **Preventive Maintenance Manager** in DPW: Buildings

## Parks and Trees Management

- Splitting DPW: Buildings & Grounds into 2 separate divisions to create a dedicated **Grounds Superintendent position**
- **Tree Warden** in DPW: Grounds
- Expanded Parks Tree Health & Young Tree Training Programs in PSUF

# Long-term success: strong financial management

## Departmental Financial Management

- **Director of Finance & Administration** in ISD
- **Director of Finance & Administration** for SPD & SFD

## Citywide Financial Management

- Creation of a Budget Division in Finance, including a new **Budget Analyst** position
- Additional **Grant Writer** for Grants Development

# **Long-term success: investing in our staff**

**The FY22 budget includes critical investments in our workforce to better serve our residents:**

- Collective bargaining agreements settled & ratified for
  - SPEA (FY16-21)
  - Fire Alarm (FY21-23)
  - E-911 (FY21-23)
- Proposed 4% increase for non-union staff
- Non-union reclassifications
- Proposed comprehensive non-union salary study

# **Long-term success: preparing for the first mayoral transition in 18 years**

## **Preparation for a smooth transition**

- 2 positions for incoming mayor funded in Nov & Dec
- Robust transition project
- Training for newly elected officials & new department heads
- Relaunching Somerville Academy for Innovative Leadership (SAIL)

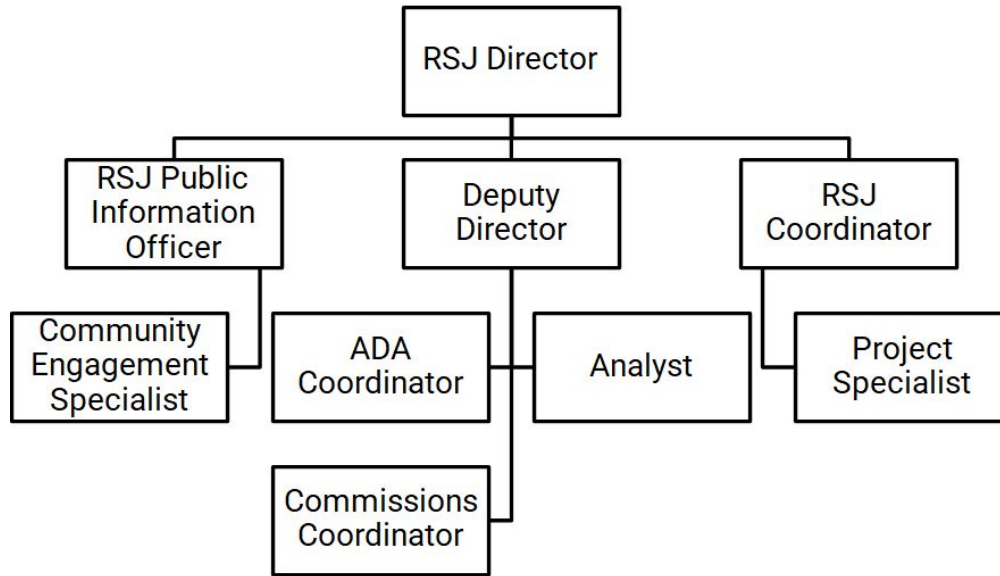
**This organization -- this City -- will not succeed if racial and social inequities persist in our community.**

"Care to the People" by Amanda Hill at 262 Highland Ave



**Strengthening Somerville's commitment  
to racial and social justice**

# Racial and social justice: \$1 million investment in new RSJ Office



## Key initiatives launching in FY22:

- Reimagining Policing
- RSJ Cabinet, Equity Action Teams, and RSJ Roundtable
- RSJ Fund disbursement

## Ongoing initiatives absorbed from other departments:

- Women's Commission & Human Rights Commission
- ADA Coordination

# Racial and social justice: \$700k+ in new investments to support equity work

## **Preserving affordable housing and preventing displacement**

2,000 Homes program in OSPCD: Housing

Flex Funds Expansion in OSPCD: OHS

Housing Search Case Manager in OSPCD: OHS

## **Addressing inequities in planning and development**

Strategic Planning & Equity Manager in OSPCD: Admin

Senior Planner for Women & Minority Business Support in OSPCD: Economic Development

## **Expanding and deepening community outreach and engagement**

Additional FT Spanish Community Engagement Specialist in SOIA

Community Engagement Specialist in OSE

Youth and Family Resource Navigator in HHS: SomerPromise



## **Racial and social justice: \$1.6 million in new SPS investments for equity**

**Support Teaching and Learning through Equity and Access**

**Invest in Early Childhood**

**Expand Out of School Time Access**

**Focus on Multilingual Instruction**

**Social and Emotional Wellness**

**Free Transit Access**

**The incoming \$60+ million from the American Rescue Plan Act will enable Somerville to fund community-driven initiatives for social and economic recovery and further invest in addressing inequities.**



THIS IS EAST

Questions?